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Marketing Evolution

For the series discussion: American Way of Doing Business

Topic shared by Dr. Dang Duc Dzung
Vice Chairman-Hanoi Young Business Association
HungViet Tech



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Agenda

- Marketing in the emerging market of Vietnam
- Product vs. Service marketing
- Marketing in the social networking era
- What can be learnt from American marketing
- Q&A



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Last session: economic concerns

- Over-heated urbanization and industrialization has resulted in property bubble
- Financial sector distorted by ease of finance-banking regulation
- Human resources development always a matter of concern
- Long term competitiveness: lack of attention on science-technology development

Restoring economic dynamism!



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Marketing in Vietnam then

- Before 1987 same as “Entrepreneur” “Marketing” was bad, associated with “Smuggler” or “Smuggling”
- “Cửa hàng”, “Bách hóa” were key words for “collective”, state enterprise” marketing
- “Thực phẩm” - Food, “Dầu lửa” – Kerosene, “Rau hoa quả” – Groceries were most wanted





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Marketing in Vietnam now

- From single to an ocean of media: TV channels, news papers, magazines
- From street poster to road side billboard
- From human promoter to digital media
- From sport event to movie stars





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American changed Vietnam's marketing landscape

- Led by F&B: Pepsi, Coke, FMCG: P&G, Colgate; Techno: Microsoft, IBM; Health care: Johnson&Johnson, Education: Harvard...
- Stringent quality assurance: FDA, CHEA
- Created by world class agencies: Ogilvy, Saatchi...
- Engined by Hollywood: DieHard, Toy Story...
- Market researches by Nielsen, TNS

American Dreams





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Looking at marketing mix





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Product: Made in Vietnam

- Top foreign and VN brands 2011

HONDA

SONY

NOKIA



TOSHIBA



HONDA



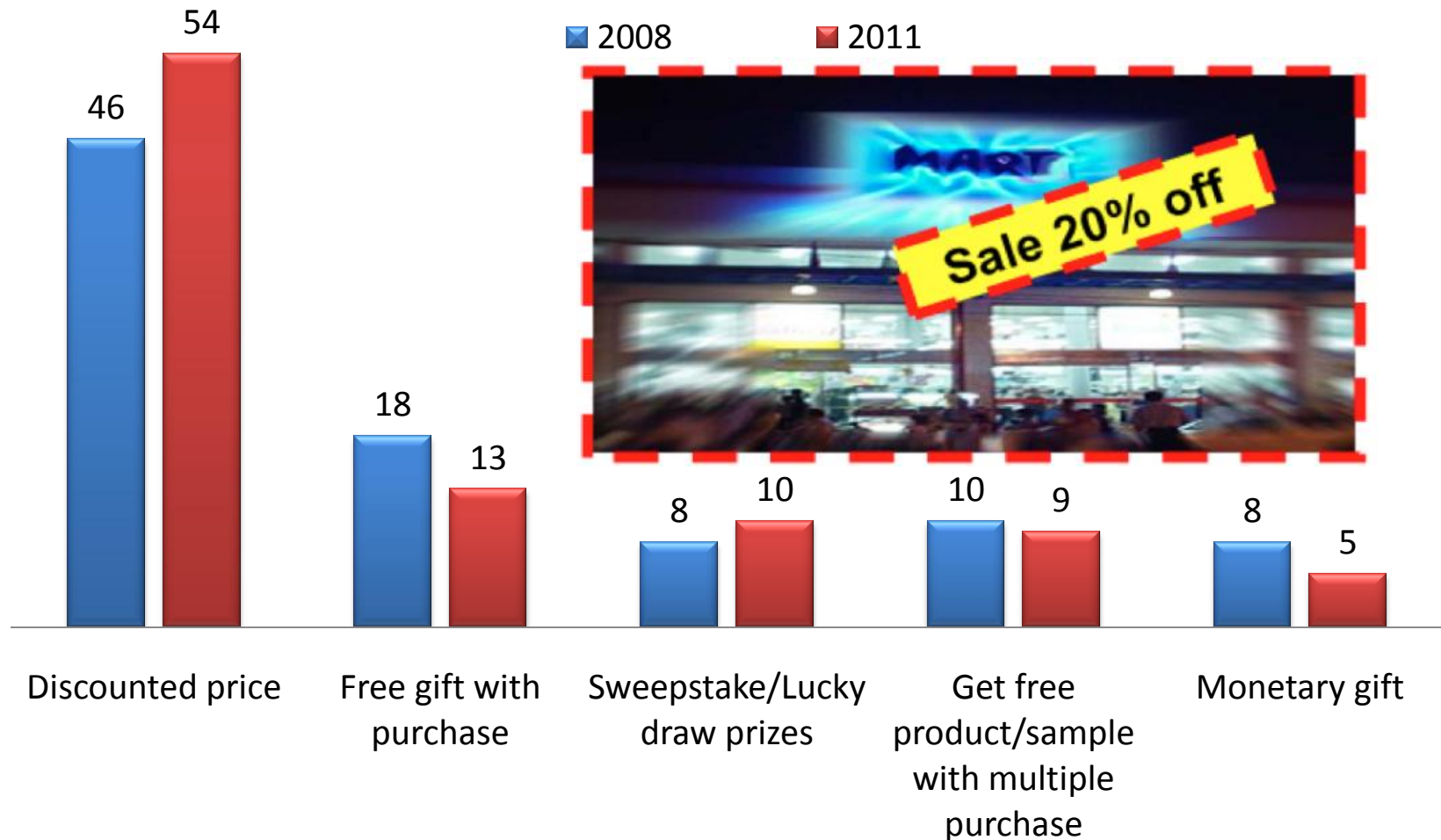


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Pricing: Discount is most preferred

- Economic slows and high inflation





- Sport, music, movie, beauty contest...
- Shops, showrooms, supermarkets
- Billboard, posters, shop panel,
- Sampling, promoter, catalog, PR
- Web site, social media

Lack of Artistics

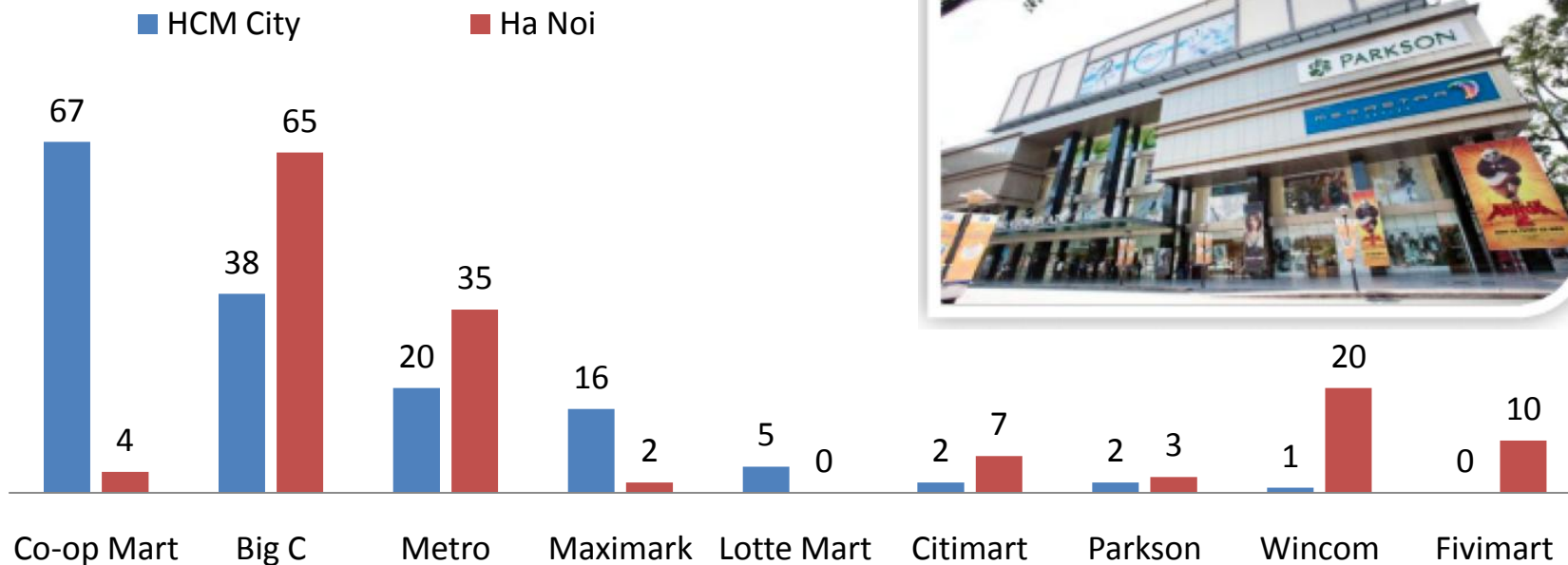




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Distribution channel





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Modern trades go fast





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Vietnam goes online

Internet Penetration

■ Global

30%

% of internet
users that:

■ Vietnam

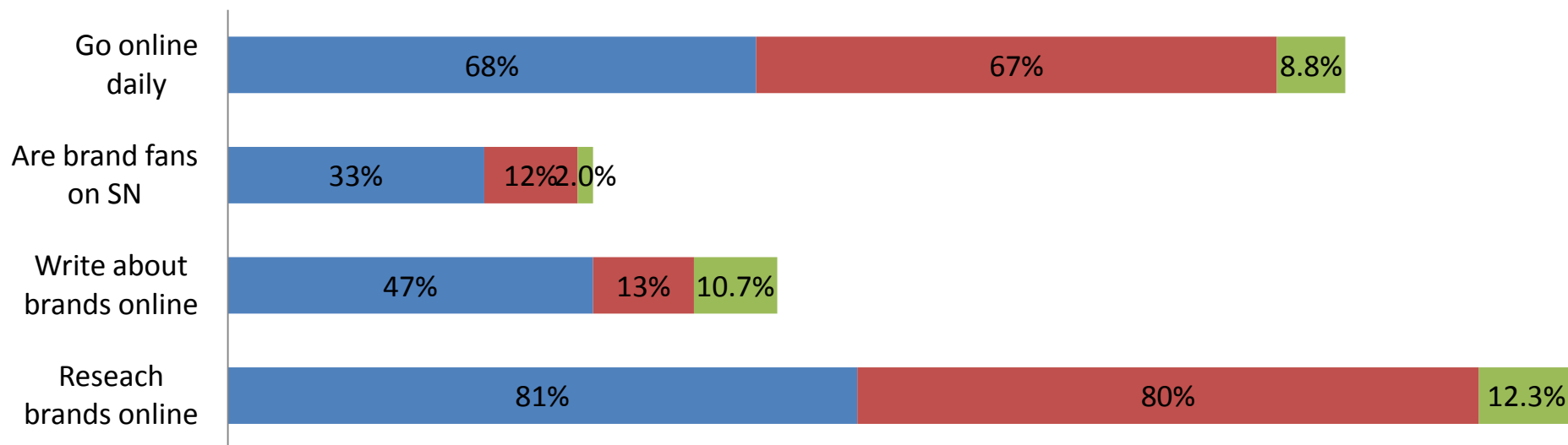
32%

% of internet
users that:

■ India

8%

% of internet
users that:



**Vietnamese consumers often
go online before buying**

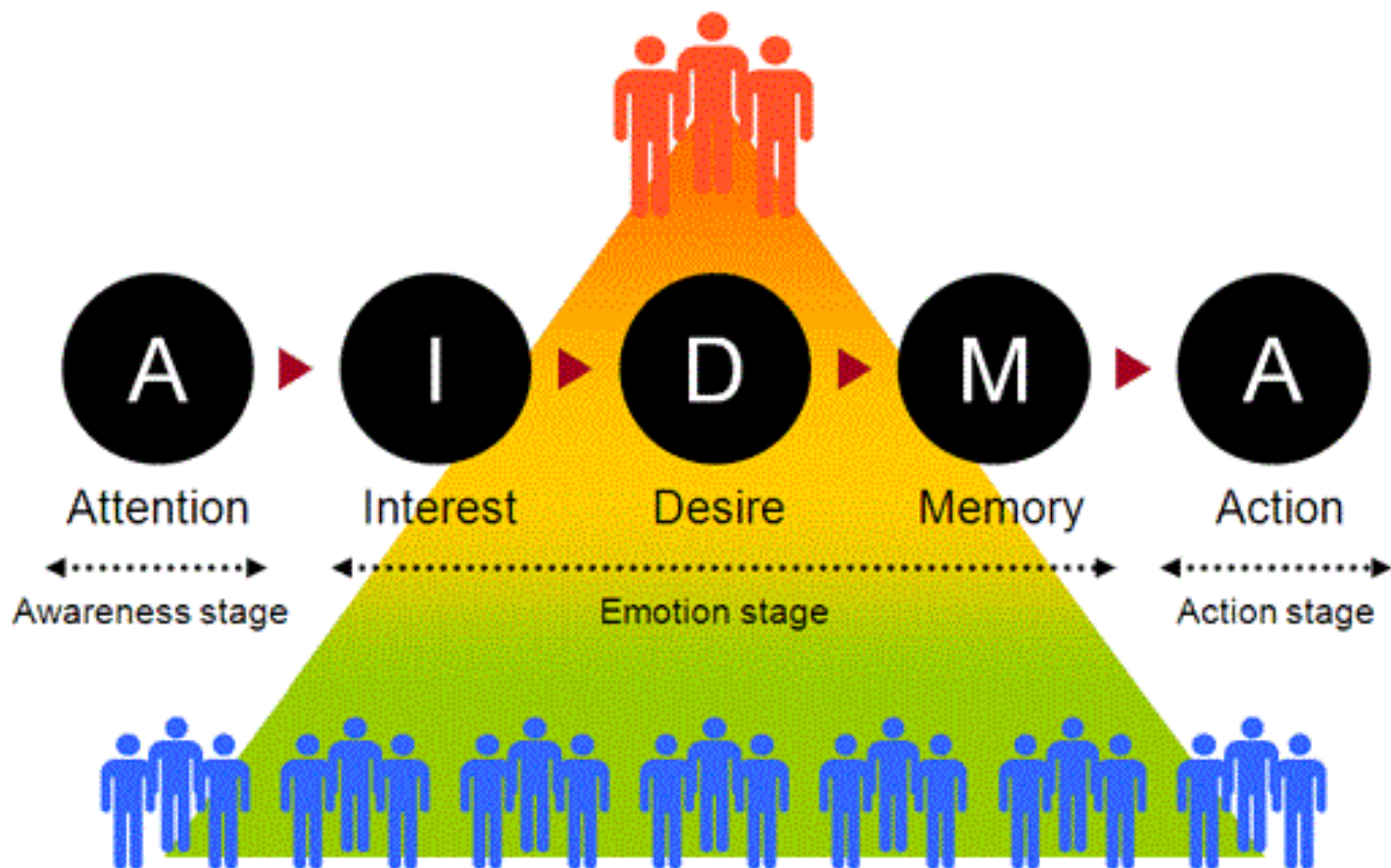


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Traditional marketing

Before Digital

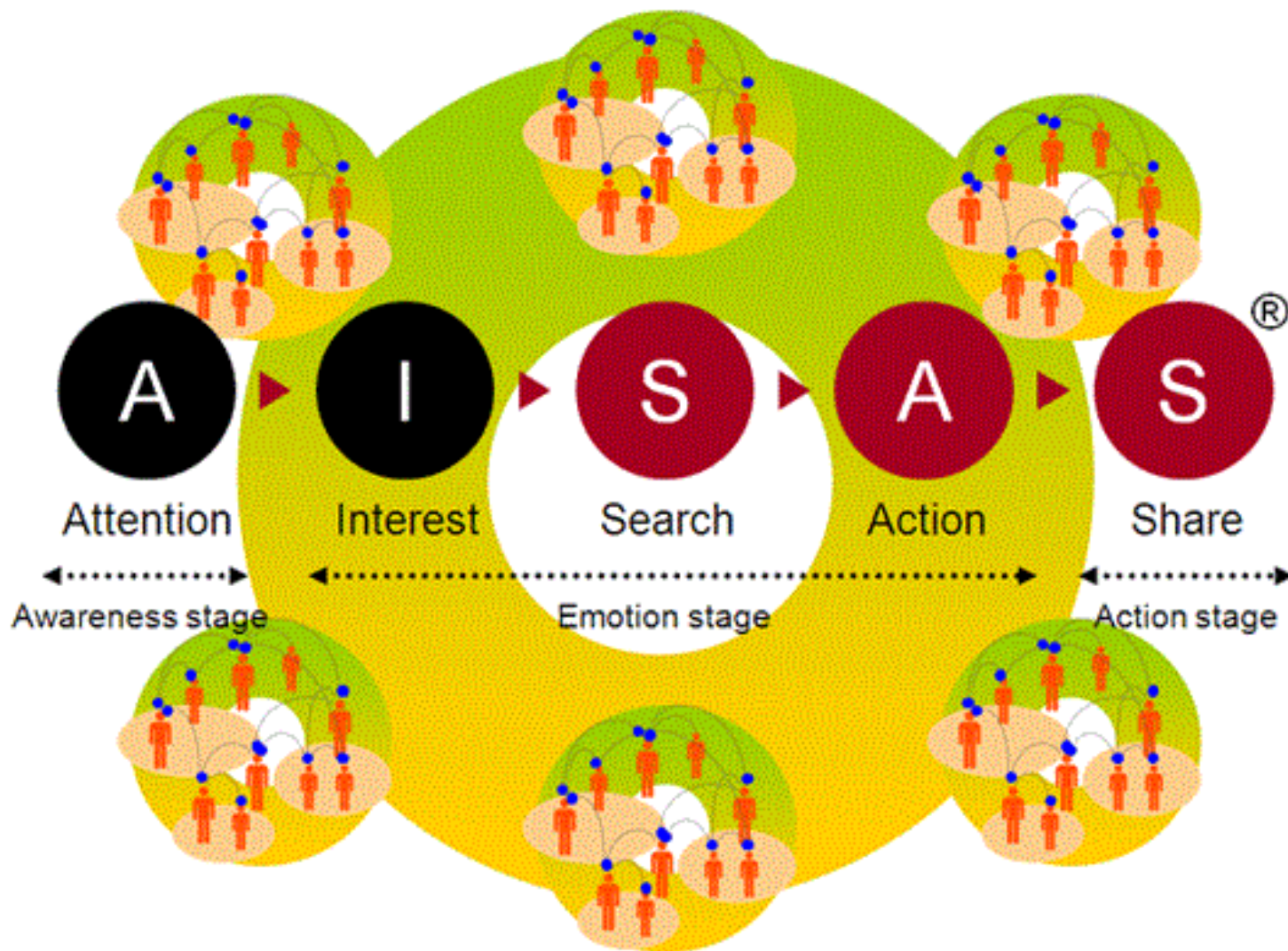




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Digital era consumerism





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US firms are leading online

- Amazon is a smartest online shopping system

← → ↻ 🏠 www.amazon.com/Concept2-Model-Indoor-Rower-Light/dp/B008DVF07Q/ref=wl_it_dp_o_pC_nS_nC?ie=UTF8&colid=2XQOH413885U1&coliid=IF3O5UY

amazon Prime Dang's Amazon.com | Today's Deals | Gift Cards | Help from \$199

Shop by Department ▾ Search Sports & Outdoors ▾ Go Hello, Dang Your Account ▾ Your Prime ▾ Cart ▾ Wish List ▾

Sports & Outdoors Athletic & Outdoor Clothing Boating & Water Sports Cycling Exercise & Fitness Fan Shop Golf Outdoor Recreation Shoes Team Sports Sales & Deals

Prime
Member: Dang Duc Dung

Note: This item is not eligible for Amazon Prime. ([Learn more](#))

Concept2 Model D Indoor Rowing Machine



by [Concept 1](#)
★★★★★ (273 customer reviews)

Price: **\$900.00**

In Stock.
Ships from and sold by **Amazon.com**.

Want it Saturday, March 9? Order within **6 hrs 27 mins**, and choose **Standard Shipping** at checkout. [Details](#)

Color: **Light Gray**

- 14-Inch (35.6 cm) seat height, stainless steel chain and PM3 monitor.
- Separates easily into two pieces for storage with a quick-release frame lock. Caster wheels make it mobile.
- Adjustable footrests accommodate a wide range of shoe sizes. Ergonomic handle for natural position.
- Requires footprint of 9 x 4 feet, 500-pound capacity, 5-year frame warranty.

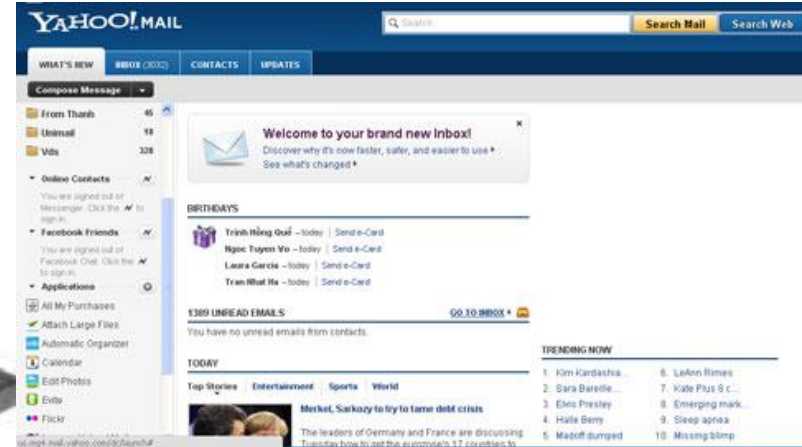
Special Shipping Information: This item is not eligible for FREE Super Saver Shipping. Incurs a shipping charge of \$45.00.

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Old day sharing cycle





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The most powerful gesture of human kind





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Product marketing

- Kangaroo: from water filtration to nearly 200 products
- Creative and crazy idea: A big bang-bang midnight made brand boom which in turn enabled high price strategy
- Well-functioned Creative Center: Branding Specialist, Designers, Copywriters, Billboard/Poster negotiator, Showroom Deco, Web/Social media master, in-house media
- Well-balanced of MT: champion of most supermarket chain vs GT: coverage from Hagiang to Camau, from Dienbien to Daklak, Phnompenh to Myanmar





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Service marketing

- HCM University of Industry from 1,000 students in 1997 to 130,000 in 2011
- Upgrade from Secondary Technical School into College by 1999, into University by 2004
- Earliest and long serving International Program with Australian TAFE and Canadian SIAST systems
- Showcase for politicians, industries, foreign partners
- Friends of media, web site, Robocon, customer services...
- Pursuit of corporate governance, improved quality, geographical expansion, modernization and internationalization



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Key challenges in Vietnamese enterprises

- Relationship management:
Government, family, labor, customer
- Access to resources:
land, capital, technologies
- Operational skills: accountability, neglecting
R&D, IPR, Quality, ICT and **marketing**

Relationship
management

Access to
resources

Operational
Skills



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America is marketing haven



ADWORDS

QUALIFIED
INDIVIDUAL

Google™



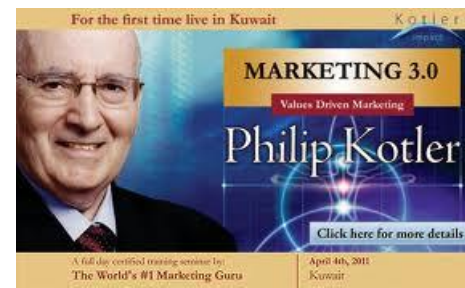
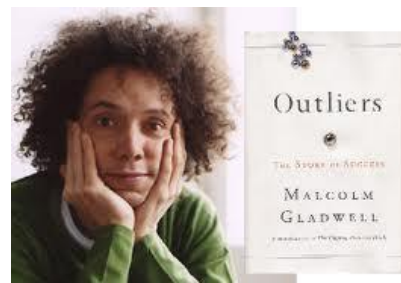


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Most of Marketing Genius are from America

- **Steve Jobs:** chairman, cofounder and CEO of Apple Inc., whose marketing style is considered by some to be aggressive and demanding
- **Malcom Gladwell:** his book “The Tipping Point” is excellent for PR, marketing or communication professionals
- **Philip Kotler:** his book “A Framework for Marketing Management” is most popular in the business schools around the globe
- **Michael Porter:** author of “Competitive Strategy”, one of his quotes is as follows “The essence of strategy is choosing what not to do.”





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What can be learnt from American business

- Professionalism: management approach, HRD, lobby, customer care
- Operational excellence: logistics, accounting, ICT, **marketing**
- Innovation: product improvement, R&D, g-localization

Professionalism

Operational
excellence

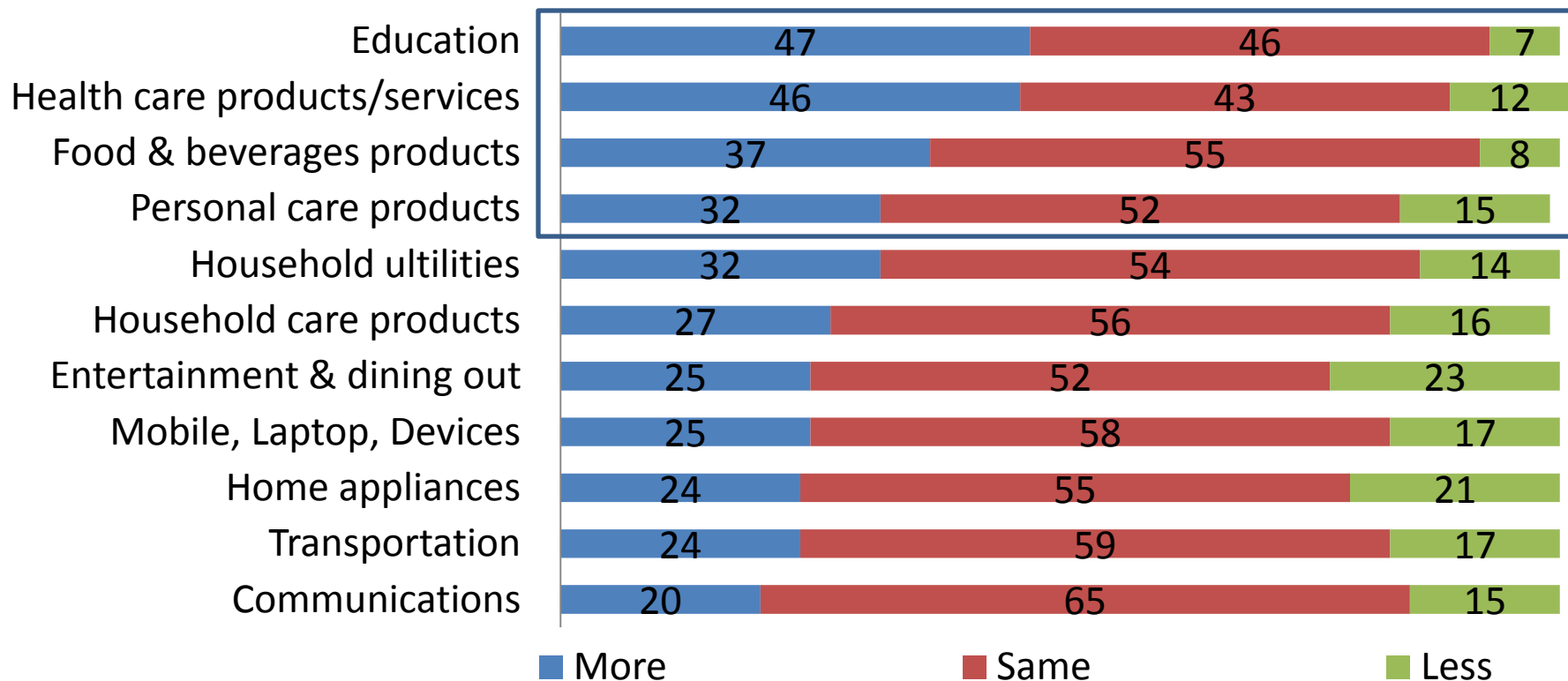
R&D, ICT



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The way forward



Discounted, low price goods will be main driver for next few years

Consumer loyalty: quality and core value needs to be targeted

Education, health care, F&B, personal care products 4 key growths



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QUESTIONS!